



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

October 30, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank of Ivesdale
Charter #6133**

**301 South Chaplin
Ivesdale, Illinois 61851**

**Office of the Comptroller of the Currency
2009 Fox Drive, Suite B
Champaign, Illinois 61820**

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **The First National Bank of Ivesdale** prepared by **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **October 30, 1996**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

The last evaluation of the bank's CRA performance was September 15, 1992.

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

This rating is based on the fact that a majority (83% of the number and 80% of the dollar volume) of loans reviewed were located within the bank's assessment area. Additionally, the distribution of borrowers reflects a reasonable penetration among individuals of different incomes and businesses and farms of different sizes.

The following table indicates the performance level of The First National Bank of Ivesdale with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>The First National Bank of Ivesdale</u> PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to businesses of Different sizes	X		
Geographic Distribution of Loans		N/A	
Response to Complaints	No complaints have been received since the prior examination.		

DESCRIPTION OF INSTITUTION

The First National Bank of Ivesdale is an \$10 million bank operating from one location in Ivesdale, Illinois. The bank is a wholly-owned subsidiary of Bement Bancshares Company, a three bank holding company. Ivesdale is a community of approximately 350 located in the southwest corner of Champaign County near the Piatt County line, approximately 20 miles southwest of Champaign.

The following represents the bank's loan portfolio mix as of June 30, 1996:

Agricultural Loans	31%
Residential Real Estate Loans	29%
Consumer Loans	22%
Commercial Loans	18%

The bank does not have any financial or legal impediments restricting it from meeting the credit needs of the community.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area consists of block numbering areas (BNAs) #9546, #9547, and #9548 in Piatt County and Census Tract #109 in Champaign County Metropolitan Statistical Area (MSA) #1400. The assessment area meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. Two of the BNAs (#9547 and #9548) and Census Tract #109 are middle income, and BNA #9546 is upper income. There are no low- or moderate-income census tracts within the assessment area. The following demographic information on the bank's assessment area is based on 1990 census data:

Housing Stock - 89% of the housing units are 1-4 family.

Occupancy - 73% owner occupied, 22% renter occupied, and 4% vacant.

Home Values - The Median Home Value is \$50,200.

Age of Homes - The Median Year of Homes Built is 1958.

Income Levels - 11% of the families are low-income, 18% are moderate-income, 27% are middle-income, and 45% are upper-income.

The local economy is stable and is driven by agriculture and small business. The largest employers include The University of Illinois and Kraft located in Champaign. The bank's major competition consists of Busey Bank in Tolono and several larger banks located in Champaign and Monticello.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

LOAN-TO-DEPOSIT RATIO

The bank's loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's average loan-to-deposit ratio for 13 quarters ended June 30, 1996 was 37.14%. This ratio shows an improving trend, ranging from a low of 35.40% to a high of 43.08%. There are no similarly situated banks to compare this financial institution's loan-to-deposit ratio against. However, analysis of four banks located in the assessment area with total assets between \$12 million and \$16 million reflect an average loan-to-deposit ratio of 47.05% for this same time period.

Between January 1, 1995 and September 30, 1996 the bank originated 302 consumer loans, 186 farm loans, 80 business loans, and 7 residential real estate loans. During that same time period, the bank denied only 2 credit applications.

LENDING IN ASSESSMENT AREA

The bank's record of lending within the assessment area is satisfactory. Based on a sample of loans originated between January 1, 1995 and September 30, 1996, 83% of the number of loans and 80% of the dollar amount of loans were made within the bank's assessment area. The following table details the bank's lending within and outside the assessment area by dollar volume and number of loans based on the loan sample reviewed. Our analysis covered a sample of 322 loans totaling \$2,975,129.

Type of Loan	Within Assessment Area		Outside Assessment Area	
Residential Real Estate	\$130,000	53%	\$116,000	47%
	5	71%	2	29%
Consumer	\$352,133	65%	\$190,113	35%
	86	78%	24	22%
Business	\$764,460	89%	\$90,641	11%
	48	89%	6	11%
Farm	\$1,148,282	86%	185,500	14%
	128	85%	23	15%
Total	\$2,394,875	80%	\$582,254	20%
	267	83%	55	17%

LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES

The bank’s record of lending to borrowers of different incomes and to businesses of different sizes is good. The residential real estate loan distribution approximates the income characteristics of the assessment area. Although there are no low- or moderate-income tracts within the bank’s assessment area, 29% of the population is in the low- and moderate-income categories.

The following tables detail the bank’s residential real estate lending record to borrowers of different incomes based on a sample of 16 loans originated between January 1, 1993 and September 30, 1996. This sample represents 100% of the residential real estate loans originated during this time period. Income levels for loans originated within the Champaign County MSA #1400 are based off of the 1996 median family income of \$31,921. Income levels for loans originated in non-metropolitan areas are based off the 1996 non-metropolitan median family income for Illinois of \$36,000.

Residential Real Estate Loans
(within Champaign County MSA #1400)

Income Level	# of Loans	%	\$ of Loans	%
Low - Income Less than 50% of Median	1	7%	\$25,000	4%
Moderate - Income 50% to less than 80% of Median	3	21%	\$135,900	19%
Middle - Income 80% to less than 120% of Median	3	21%	\$139,700	20%
Upper - Income 120% or more of Median	7	50%	\$399,321	57%
Total Sample	14	100%	\$699,921	100%

Residential Real Estate Loans
(in non-metropolitan areas)

Income Level	# of Loans	%	\$ of Loans	%
Low - Income Less than 50% of Median	0	0%	\$0	0%
Moderate - Income 50% to less than 80% of Median	1	50%	\$36,000	55%
Middle - Income 80% to less than 120% of Median	1	50%	\$28,945	45%
Upper - Income 120% or more of Median	0	0%	\$0	0%
Total Sample	2	100%	\$64,945	100%

Based upon our sample, the bank has made 31% of the number and 26% of the dollar volume of residential real estate loans to low- and moderate-income people.

In addition, we sampled 110 consumer loans. We found that 57% of the number of consumer loans sampled were for amounts smaller than \$2,500. The bank meets many of the credit needs of low- and moderate-income individuals in the assessment area through the origination of small dollar loans.

The bank's record of lending to businesses and farms of different sizes is good. All of the businesses and farms in our sample have annual revenues of less than \$1 million. The following tables detail the distribution by loan size of a sample of business and farm loans originated between January 1, 1995 and September 30, 1996.

Business Loans

Loan Size	# of Loans	%	\$ of Loans	%
Less than \$25,000	47	87%	\$312,101	36%
\$25,001 - \$50,000	3	6%	\$108,000	13%
\$50,001 - \$99,999	1	1%	\$70,000	8%
\$100,000-\$250,000	3	6%	\$365,000	43%
Over \$250,000	0	0%	\$0	0%
Total Sample	54	100%	\$855,101	100%

Farm Loans

Loan Size	# of Loans	%	\$ of Loans	%
Less than \$25,000	138	92%	\$874,887	66%
\$25,001 - \$50,000	11	7%	\$333,895	25%
\$50,001 - \$100,000	2	1%	\$125,000	9%
Over \$100,000	0	0%	\$0	0%
Total Sample	151	100%	\$1,333,782	100%

The bank has demonstrated a willingness to make loans of both small and large amounts to businesses and farms of different sizes.

GEOGRAPHIC DISTRIBUTION OF LOANS

Because all Block Numbering Areas and Census Tracts in the bank's assessment area are middle- and upper-income tracts, a geographic distribution analysis of the bank's loan originations would not be meaningful, and is not considered in the overall CRA rating.

COMPLIANCE WITH FAIR LENDING LAWS

The First National Bank of Ivesdale is in compliance with the substantive provisions of the fair lending laws and regulations. There is no evidence of discriminatory lending practices or disparate treatment of customers. The bank generally solicits credit applications from all segments of its assessment area, including low- and moderate-income areas.